

Thermo Fisher – Patheon



IEV: \$7.1bn
LTM Revenue: \$1.92bn
LTM EBITDA: \$360mm



TEV: \$83.58bn
LTM Revenue: \$18.74bn
LTM EBITDA: \$4.69bn



\$7.1bn

ENTERPRISE VALUE

TRANSACTIONING COMPANIES

Patheon N.V. (NYSE: PTHN)

Patheon N.V. provides outsourced pharmaceutical development and manufacturing services in the Netherlands. The company operates through three segments: Drug Product Services, Pharmaceutical Development Services, and Drug Substance Services. Patheon N.V. was incorporated in 2013 and is headquartered in Durham, North Carolina.

Thermo Fisher Scientific Inc. (NYSE: TMO)

Thermo Fisher Scientific Inc. provides analytical instruments, equipment, reagents and consumables, software, and services for research, manufacturing, analysis, discovery, and diagnostics worldwide. The company operates within four segments that include Life Sciences Solutions, Analytical Instruments, Specialty Diagnostics, and Laboratory Products and Services. Thermo Fisher was founded in 1956 and is headquartered in Waltham, Massachusetts.



19.9x

LTM EBITDA MULTIPLE



3.7x

LTM REVENUE MULTIPLE

OVERVIEW

On May 15, 2017, Thermo Fisher Scientific Inc. (“Thermo Fisher”) made an offer to acquire drug-development technology company Patheon N.V. (“Patheon”) from JLL Partners, Koninklijke DSM N.V. (ENXTAM: DSM) and other shareholders for \$5.1 billion. Thermo Fisher will offer shareholders \$35 per share in cash for all of the issued and outstanding shares. Thermo Fisher will also assume Patheon’s net debt of about \$2 billion.

HIGHLIGHTS

Regulatory and shareholder approval is still required, but Thermo Fisher has already entered into tender and support agreements with affiliates of JLL Partners and Royal DSM to support the deal. They hold a combined 73% stake in Patheon.

Upon closing, Patheon will merge with Thermo Fisher’s Laboratory Products and Services Segment. The transaction will provide Thermo Fisher with a pathway into the biotech solutions market. The deal is set to close by the end of 2017.

INC Research – inVentiv Health



IEV: \$4.6bn
LTM Revenue: \$2.16bn
LTM EBITDA: \$306mm



TEV: \$2.68bn
LTM Revenue: \$999mm
LTM EBITDA: \$235mm

\$4.6bn

TRANSACTION VALUE

TRANSACTIONING COMPANIES

INC Research Holdings, Inc. (Nasdaq: INCR)

INC Research Holdings, Inc. is a contract research organization that provides clinical development services for the biopharmaceutical and medical device industries in North America, Europe, the Middle East & Africa, the Asia-Pacific, and Latin America. INC Research Holdings, Inc. was incorporated in 2010 and is headquartered in Raleigh, North Carolina.

inVentiv Health, Inc.

inVentiv Health, Inc. provides outsourced services to pharmaceutical, biotechnology, medical device and diagnostics, and healthcare industries worldwide. It operates in two segments, Clinical and Commercial. The company was founded in 1996 and is headquartered in Burlington, Massachusetts. inVentiv Health Inc. operates as a subsidiary of inVentiv Group Holdings, Inc.

15.0x

LTM EBITDA MULTIPLE

2.1x

LTM REVENUE MULTIPLE

OVERVIEW

On May 9, 2017, INC Research ("INC") entered into an agreement and plan of merger to acquire Boston-based CRO inVentiv Health, INC. ("inVentiv") in an all stock deal. inVentiv is believed to have an enterprise value of \$4.6 billion, which would set the combined company at an enterprise value of \$7.4 billion. According to the pair, this merger will make the company the second largest biopharmaceutical outsourcing provider in the world.

HIGHLIGHTS

Alistair Macdonald, CEO of INC, will take over as the new CEO of the merged company, with inVentiv CEO Michael Bell serving as executive chairman. Once the transaction is complete, it is expected that inVentiv's shareholders will hold 47% of the merged company, while INC shareholders will own 53%.

The hope is that the combined company, of more than 22,000 employees, will be able to increase earnings through greater offerings to its newly broadened network of clients. The new company will hold its headquarters in Raleigh, North Carolina.

Fresenius – Akorn



IEV: \$4.9bn
LTM Revenue: \$1.12bn
LTM EBITDA: \$406m



TEV: \$69.2bn
LTM Revenue: \$31.58bn
LTM EBITDA: \$5.92bn

\$4.9

bn USD

TRANSACTION VALUE

TRANSACTIONING COMPANIES

Akorn, Inc. (Nasdaq: AKRX)

Akorn is a specialty generic pharmaceutical company that develops, manufactures, and markets generic and branded pharmaceutical products. The company also has small private-label over-the-counter ("OTC") and animal health businesses. Akorn is a specialty generic pharmaceutical company that develops, manufactures, and markets generic and branded pharmaceutical products. The company also has small private-label over-the-counter ("OTC") and animal health businesses.

Fresenius SE & Co. KGaA (DB:FRE)

Fresenius is a diversified global healthcare group based in Germany. The company's offering includes high-quality products and services for dialysis, hospitals, pharmaceutical products, medical devices and outpatient treatments.

10.6x

LTM EBITDA MULTIPLE

4.4x

LTM REVENUE MULTIPLE

OVERVIEW

Fresenius SE & Co. KGaA ("Fresenius") announced on April 25th, 2017, that it has agreed to acquire Akorn, Inc. (Nasdaq: AKRX) ("Akorn"), a specialized generic pharmaceutical manufacturer, for \$4.3 billion. Akorn will be integrated within Fresenius' Fresenius Kabi division which is focused on I.V. generic drugs, infusion therapies and clinical nutrition products.

HIGHLIGHTS

Fresenius will fund the acquisition with debt, paying \$34.00 per share in cash for the company. The acquisition is expected to be accretive to 2018 earnings excluding integration costs and accretive to 2019 earnings including integration costs.

The deal will further build-out Fresenius' specialized pharmaceutical product offering, while offering access to new distribution channels such as retail pharmacies. This additional access is expected to help drive growth in the companies recently acquired portfolio of biosimilar assets from Merck KGaA.

Merus Labs – Norgine B.V.



IEV: \$247.7m
LTM Revenue: \$78.2m
LTM EBITDA: \$31.1m



TEV: N/A
LTM Revenue: N/A
LTM EBITDA: N/A

\$249_{mm}

TRANSACTION VALUE

TRANSACTIONING COMPANIES

Merus Labs International Inc. (TSX: MSL)

Merus Labs International Inc. is a specialty pharmaceutical company that owns, markets and distributes pharmaceutical products primarily in Europe and Canada. A few of the company's offerings include Elantan, Isoket, Deponit nitrates, Salagen, Estraderm MX, and Vancocin. The company is headquartered in Toronto, Canada.

Norgine B.V. (private company)

Norgine B.V. develops, manufactures, and markets pharmaceutical products. It offers products in various therapeutic areas, including gastroenterology, hepatology, and critical and supportive care. The company also provides debt and debt-like financing to companies in the fields of healthcare and life sciences in Europe and the United States. The company was founded in 1906 and is based in Amsterdam, the Netherlands, with other sites and offices located around the world.

8.2_x

LTM EBITDA MULTIPLE

3.3_x

LTM REVENUE MULTIPLE

OVERVIEW

On May 11, 2017 Norgine B.V. ("Norgine") entered into an agreement to acquire Merus Labs International, Inc. ("Merus") for approximately \$141.4 million (CAD 193.6 million). Norgine will purchase all issued and outstanding common shares of Merus for \$1.21 per share (CAD 1.65 per share) in cash, which include the assumption of all debt obligations. Norgine will finance the transaction through a combination of cash and new credit facilities.

HIGHLIGHTS

In addition to court and shareholder approvals, the arrangement is also subject to customary closing conditions, and is expected to reach conclusion by September 30, 2017.

It is the hope of Norgine that the acquisition of Merus will strengthen their position in the European specialty pharma sector.

Rothschild & Co. acted as financial advisor and Torys LLP as legal advisor to Merus Labs. RBC Capital Markets, Inc. acted as financial advisor and Stikeman Elliott LLP acted as legal advisor to Norgine.

Nutraceutical – HGGC



HGGC

IEV: \$427m
LTM Revenue: \$235.4m
LTM EBITDA: \$43m

TEV: N/A
LTM Revenue: N/A
LTM EBITDA: N/A

\$427^{mm}

ENTERPRISE VALUE

TRANSACTIONING COMPANIES

Nutraceutical International Corporation (NasdaqGS: NUTR)

Nutraceutical International Corporation manufactures, markets, distributes, and retails branded nutritional supplements and other natural products in the United States and internationally. The company sells its products directly, through sales force, as well as through health and natural food stores. Nutraceutical was founded in 1993 and is based in Park City, Utah.

HGGC, LLC. (private company)

HGGC, LLC is a private equity firm specializing in leveraged buyouts, recapitalizations, growth equity, public to private, corporate carve-outs, and restructuring in middle market and mid cap private and public companies. The firm seeks to invest in technology and information services sectors. It was founded in 2007 and is based in Palo Alto, California with additional offices in Florida, Salt Lake City, and Massachusetts.

9.9x

LTM EBITDA MULTIPLE

1.8x

LTM REVENUE MULTIPLE

OVERVIEW

On May 22, 2017, HGGC, LLC ("HGGC") entered into a definitive agreement to acquire Nutraceutical International Corporation ("Nutraceutical") for approximately \$390 million. Nutraceutical's Board of Directors have unanimously approved the transaction and recommended the shareholders to approve the merger. The transaction is expected to close in the end of Nutraceutical's fourth quarter.

HIGHLIGHTS

Under the transaction terms, each share of Nutraceutical common stock will be automatically converted into the right to receive cash in an amount equal to \$41.80 per share, without interest thereon. Each Nutraceutical's performance stock unit will be canceled and automatically converted into the right to receive an amount in cash, without interest.

After closing, Nutraceutical will operate as a private company owned by HGGC.

Reckitt Benckiser – Mead Johnson



IEV: \$19.7bn
LTM Revenue: \$3.74bn
LTM EBITDA: \$918m



TEV: \$51.04bn
LTM Revenue: \$9.89bn
LTM EBITDA: \$2.65bn

\$19.7
bn USD

TRANSACTION VALUE

TRANSACTIONING COMPANIES

Mead Johnson Nutrition Company (NYSE: MJN)

Mead Johnson Nutrition Company manufactures, distributes, and sells infant formulas, children's nutrition, and other nutritional products. The company sells its products to mothers, health care professionals, and retailers in approximately 50 countries in Asia, North America, Latin America, and Europe. Mead Johnson Nutrition Company was founded in 1905 and is headquartered in Glenview, Illinois.

Reckitt Benckiser Group plc (LSE: RB)

Reckitt Benckiser Group plc was founded in 1823 and is based in Slough, UK. The company manufactures, markets, and sells health, hygiene, and home products, with operations across the globe. A few notable brands include Durex, Scholl, Mucinex, Clearasil, Finish, Lysol, Woolite, and Air Wick.

19.5x

LTM EBITDA MULTIPLE

4.8x

LTM REVENUE MULTIPLE

OVERVIEW

Reckitt Benckiser Group ("Reckitt") announced on February 10th, 2017, that it has agreed to acquire Mead Johnson Nutrition Company ("Mead"), maker of infant formula Enfamil, for \$16.6 billion. The deal will almost double the size of Reckitt's consumer-health business, bringing in China as the company's second biggest market behind the U.S. Including debt, the deal is valued at \$19.7 billion.

HIGHLIGHTS

Reckitt will fund the acquisition with debt, paying \$90 a share in cash for the Glenview, Ill.-based company. This values the target at 17 times earnings, with similar transaction multiples coming in at 3 to 5 marks higher.

With Reckitt's organic revenue growth at a mere 3% for 2016, the company needed a deal to jump-start sales. Reckitt projects that the transaction will boost per-share earnings by a double-digit percentage by the third year after closing, with a forecasted cost savings of \$249.9 million.